

Supports Bill After Fighting to Include Louisiana's Unemployed Workers
November 5, 2009

WASHINGTON, D.C. - U.S. Congressman Charlie Melancon (LA-03) voted today to help Louisiana families hit hardest by the recession by extending unemployment benefits, the homebuyers' tax credit, and tax relief for military families and businesses. The *Worker, Homeownership and Business Assistance Act of 2009* (H.R. 3548) passed the House today by a strong bipartisan vote of 403 to 12 and will now go to the President for his signature.

"Louisianians are struggling right now, and these tax credits and benefits will help stand up many families and businesses until the economy recovers," said Rep. Charlie Melancon. "Unemployment is tough no matter where you live, and I am pleased to see this bill has been changed so it also helps out-of-work Louisianians as they look for new jobs. The homebuyer and business tax credits will help strengthen the housing market and small businesses in our state."

In September, Congressman Melancon [opposed an earlier version](#) of the bill because it did not extend unemployment benefits for Louisiana's unemployed workers. At the time, Rep. Melancon argued, "Unemployment knows no borders or boundaries, and is just as painful if you live in Natchez, Mississippi, or just a few miles away in Vidalia, Louisiana. Yet thousands of Louisianians still struggling to find jobs will be left high and dry at the end of the month when their unemployment assistance runs out."

In response to protests from Congressman Melancon and other legislators from states that were left out, the Senate amended the bill to extend benefits to unemployed workers in all 50 states. The legislation passed today will provide families in all states with 14 weeks of additional benefits, and six more weeks to the 27 states with the highest unemployment rates.

The bill includes an extension of the \$8,000 first-time homebuyer tax credit through April 30, 2010 and provides a \$6,500 credit to new purchasers who have lived in their current residence for five years or more. It also helps military families struggling to make mortgage payments by making those payments tax-exempt.

The bill will also provide tax relief to businesses to help stimulate the economy. To assist businesses suffering from huge losses, this bill allows U.S. companies to carry back losses incurred in either 2008 or 2009 against income earned in any of the five prior years.

The benefits extension and tax credits are fully paid for and will not add to the deficit.

Additional Information on the *Worker, Homeownership, and Business Assistance Act of 2009* :

Emergency Unemployment Benefits Extension

- The legislation extends unemployment insurance by up to 14 additional weeks for jobless

workers in every state, and a total of up to 20 weeks for workers in states with unemployment levels over 8.5 percent.

Help for Homebuyers, Including Military Families

- Extends the \$8,000 homebuyer tax credit to first-time homebuyers with a binding contract before April 30, 2010, allowing 60 days to close. (Currently, it will expire November 30, 2009.)

- As soon as the President signs this bill into law, it will expand the homebuyer tax credit to more families -- phasing out for individuals with income above \$125,000 and for joint filers with income about \$225,000 (the current law credit phases out for individuals with income starting at \$75,000 and for joint filers with income starting at \$150,000) and make a \$6,500 credit available to homebuyers who have been in their current residence for five or more consecutive years out of the last eight years.

- The credit is available for the purchase of principal residences with a purchase price of up to \$800,000.

- To help service members take full advantage of homebuyer incentives in the Recovery Act, the bill:

- Ensures that certain payments under the Defense Housing Assistance Program (HAP) to assist military personnel selling a home that has declined in value are exempt from tax;

- Ensures service members will not have to repay the first-time home buyer credit if they are ordered to deploy to a different location and, as a result, forced to sell their home within three years; and

- Extends for one year, to April 31, 2011, the deadline for taking advantage the first-time homebuyer credit for qualifying service members, so that certain service members stationed overseas can take advantage of the credit when they return.

- To combat abuse, the bill improves administration of the homebuyers' tax credit by:

- Requiring taxpayers to include documentation to prove that they purchased a home

- Requiring a minimum age of 18 to claim the credit

- Authorizing IRS to look at prior year returns and determine if a taxpayer is eligible for the credit

- Improving tax administration by increasing the number of electronic returns filed by return preparers

Tax Relief for Struggling Businesses/ 5-Year NOL Carryback

- Allows businesses to use net operating losses (NOLs) from 2008 or 2009 to offset profits

from five previous years, up from two years. In many cases, that would result in refunds to struggling businesses. Businesses would only be able to offset 50 percent of their income from the fifth year.

- Small businesses who have already elected to carry back 2008 under the American Recovery and Reinvestment Act may also elect to carry back losses from 2009.

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